



January 9, 2004

TO: Eric Kuhn, Board of Directors, CRWCD

FROM: Dave Kanzer

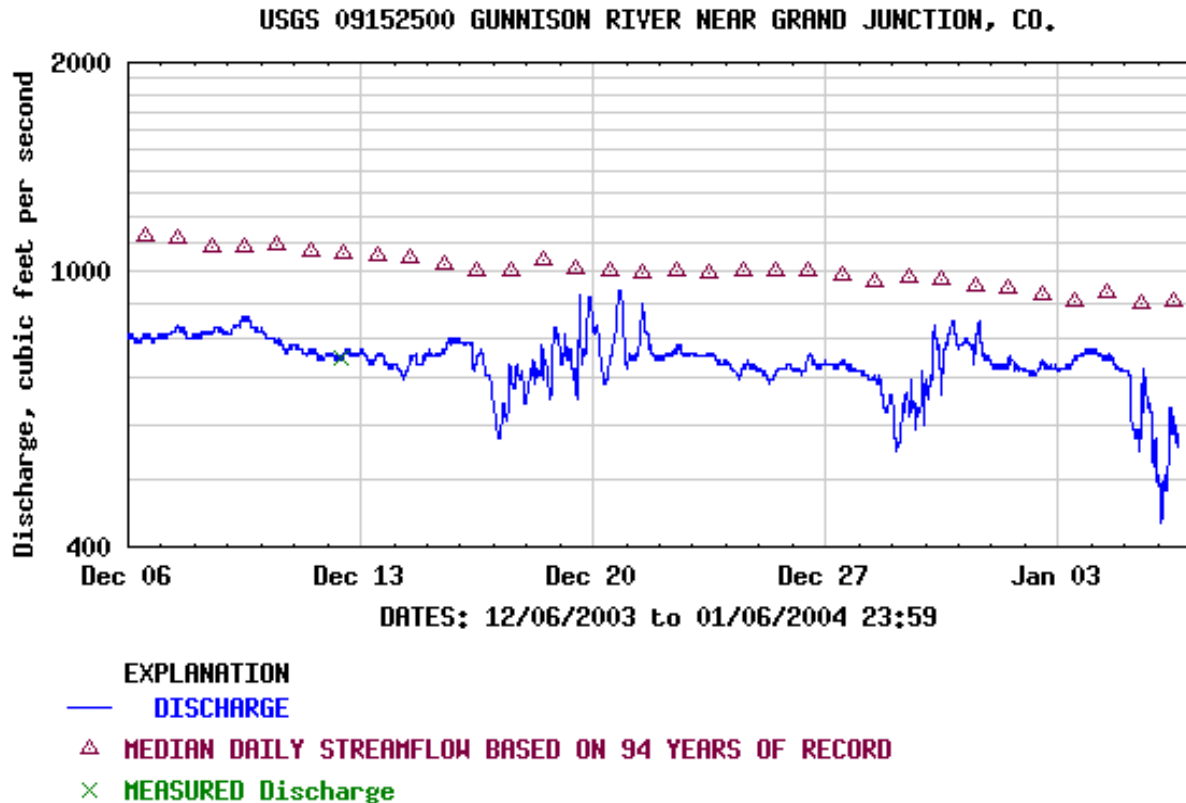
SUBJECT: *Gunnison Basin Status Report - 1st Quarter 2004*

1. River Conditions

Like the rest of the western slope, water year 2004 got off to a slow start in the Gunnison Basin. Luckily, things have improved greatly since October. The January forecast (although very early) indicates that the runoff season could approach (or even exceed) average conditions. However, even with this optimistic forecast, it is not anticipated that the basin's largest storage battery, Blue Mesa Reservoir will fill; but if normal conditions should persist throughout the winter season, the rest of the basin's storage facilities should recover nicely.

Current river conditions are generally below average throughout the basin. Fortunately, due to our existing call reduction agreement with Redlands Water and Power (Redlands) there has been no call to date even though flows have dipped below the stipulated 650 cfs level at their diversion point, the Redlands Power Canal. Like last winter, this agreement has allowed upstream facilities, in particular, Ridgway Reservoir and the Aspinall Unit to store water that would ordinarily have to be bypassed to the downstream senior water right. This agreement cost a total of \$40K, half of which was covered by in basin water users (Upper Gunnison - \$14K and Uncompahgre Valley - \$6K).

Most significantly, due to several years of below average flows in the lower Gunnison River and, in part, due to our call reduction agreements with Redlands, the Division Engineer is going to be designating the Redlands Power Canal as a "critical structure". This designation, when effective,



will result in a requirement that all new junior appropriations in the Gunnison Basin provide approved augmentation plans. This will certainly increase the cost of doing business for water users in the basin and may increase pressure in the realm of water development and/or contracting.

2. On-going projects and accomplishments

On December 22, 2003, The Upper Gunnison River Water Conservancy District and the Colorado River District jointly submitted our third annual report documenting the water uses that qualify for the "*Subordination of the Wayne N. Aspinall Unit Water Rights Within the Upper Gunnison Basin*". This report, prepared by Helton and Williamsen, concludes that a total of 5,365 AF of depletions (of 60,000 allowable) occurred in the upper basin in irrigation year 2002 that would have been called out by the Aspinall Unit had there not been a subordination agreement. (See attachments: report transmittal letter and Table 3 for details.) This depletion volume is significantly less than previous years due to the fact that the Aspinall Unit was the calling right for only 78% of

the time. During the other 22% of the time the senior Gunnison Tunnel call supplanted the Aspinall Unit and controlled the upper basin with its senior water right call.

Also attached for your review are the comments that the River District submitted to the US Bureau of Reclamation with regard to the Draft Environmental Assessment for the Redlands Fish Screen Project. In summary, we support this project as an integral component of the Upper Colorado Endangered Fishes Recovery Program. However, our support of the fish screen installation is qualified in that it must be part of a basin-wide, comprehensive, programmatic approach to ESA compliance for in-basin water users (much like the reasonable and prudent alternatives identified in the 15 mile reach programmatic biological opinion), and that this level of compliance and certainty should be equitable to other areas of the River District .

Lastly, in the lower Gunnison Basin, the River District continues to be active in the both selenium task forces. At present there are two distinct groups working on selenium issues, one in the lower Gunnison (mostly in the Uncompahgre River system) and the other in the Grand Valley. Discussions are now underway regarding the potential consolidation of these two groups. I hope to be able to update the board on these processes at our meeting.